

Drinking Water State Revolving Fund

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Revised

Supporting public health and economic vitality

Washington provided 52 Drinking Water State Revolving Fund (DWSRF) loans to water systems serving 807,852 people in 43 communities during state fiscal year 2005. These loans, with an average annual interest rate of less than one percent, totaled \$41,000,151. Water systems receiving DWSRF loans saved more than \$1.6 million in interest, compared to the cost of borrowing these funds at the prime interest rate.

Public water system capital improvements are critical to the long-term health and economic vitality of Washington's communities. Our state is a national leader in launching this important funding source and getting the money out to public water systems.

Directing federal funds to states for these low-interest loans was a key provision of the 1996 amendments to the federal Safe Drinking Water Act. The goal is to provide loans to water systems for capital improvements that increase public health protection and compliance with drinking water regulations. Washington's program is administered jointly by the Department of Health, the Public Works Board, and the board's administrative agent (the Department of Community, Trade and Economic Development).

In addition to funding loans for water system capital improvements, DWSRF supports key state drinking water program activities. These include new Safe Drinking Water Act initiatives, source water protection, and technical assistance to water systems.

Program highlights

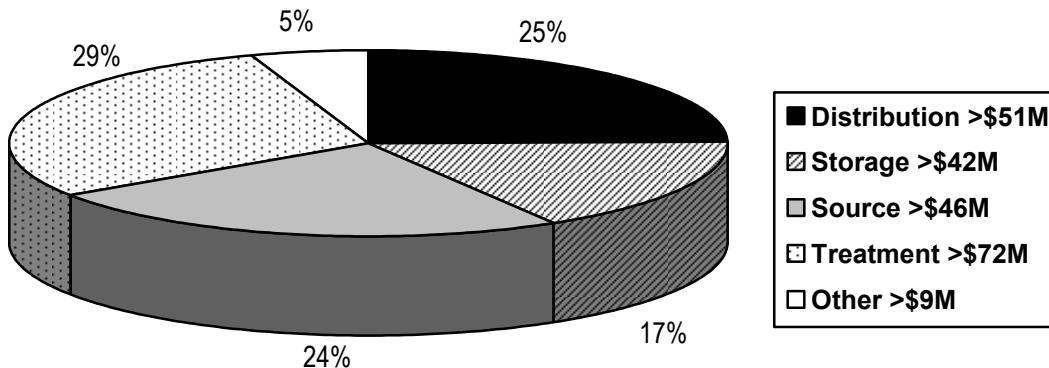
- Around \$20 million will be available for the 2006 funding cycle.
- Forty percent of loans solve public health problems that would have resulted in serious compliance actions if they had not been addressed with capital improvements.
- Over 70 percent of loans have gone to systems serving fewer than 3,300 people.
- Loans executed to date have ranged from \$15,300 to \$4 million.
- Over \$17 million in repayments has been received to fund additional projects.

Eligible water systems and projects

- Most Group A community systems, including mobile home parks.
- Most Group A nonprofit non-community systems, such as a school that has its own well.
- Group B systems or individual water supplies converting to Group A.
- Retroactive financing for specific high-priority municipal projects.
- Projects that address a public health risk.
- Projects to upgrade outdated, deteriorated facilities.

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Percentage of Eligible Projects (by Project Type)



2006 DWSRF Loan Terms

Income Level of Households	Interest Rate	Loan Fee*	Loan Repayment Period
Basic interest rate.	1.5%	1%	20 years or life of the project, whichever is less
Water system is in an economically-distressed county (see DWSRF Guidelines, Appendix L).	1%	1%	20 years or life of the project, whichever is less
51% of the water system households are at or below 80% of the county's median income.	0.5%	1%	20 years or life of the project, whichever is less
51% of the water system households are at or below 50% of the county's median income.	0%	1%	30 years or life of the project, whichever is less
Maximum Award			
Jurisdictions are eligible for up to \$3 million per year. Multiple systems constructing jointly-owned projects or satellite management agencies that are restructuring systems may combine loans up to a maximum of \$6 million.			
No Local Match Required			
Loan Fee*			
*This fee is not subject to the loan limit. A \$3 million project would result in a \$3,030,000 loan – \$3 million for the project plus the \$30,000 loan fee. The non-refundable fee is incorporated into the loan and is paid when the first loan draw is made.			

For more information:

*Washington State Department of Health
Office of Drinking Water:*

Headquarters Office: Chris Gagnon	(360) 236-3095 or chris.gagnon@doh.wa.gov
Southwest Regional Office – Olympia	(360) 664-0768
Northwest Regional Office – Kent	(253) 395-6750
Eastern Regional Office – Spokane	(509) 456-3115
<i>Public Works Board</i>	(360) 586-4120

Drinking Water State Revolving Fund Web site: http://www.doh.wa.gov/ehp/dw/Our_Main_Pages/dwsrf.htm



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